



**POLICY AND RESOURCES SCRUTINY COMMITTEE –
15TH APRIL 2014**

SUBJECT: WRITE-OFF OF DEBTS 2013/14

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

1. PURPOSE OF REPORT

1.1 To provide Members with a summary of outstanding debts which have been written-off in accordance with the policy previously agreed by Cabinet.

2. SUMMARY

2.1 The report provides details of debts written-off for the 2013/14 financial year.

3. LINKS TO STRATEGY

3.1 The Council's budget is partly funded by Council Tax, Rents and other sources of miscellaneous income. In order to ensure that these resources are available to meet all the Council's objectives the Authority will always seek to maximise income collection.

4. THE REPORT

4.1 The Council collects very large sums of money from residents and local businesses each year and inevitably there are instances of non-payment. A 'firm but fair' approach has always been adopted and all legal means are pursued to recover monies owed.

4.2 The regular writing-off of uncollectable debts is an important financial discipline. The Council would be criticised by External Audit if debts remained in the accounts when there is little likelihood of recovery. During the 2013/14 financial year the following debts were written off -

	Total Amounts Written Off 2013/14 (£)	Total Budgeted Income/Grant 2013/14 (£m)	% of Total Income/Grant Written-off 2013/14 (%)	% of Total Income/Grant Written-off 2012/13 (%)
Council Tax	£227,647	£58.0m	0.39	0.52
Business Rates	£541,616	£38.1m	1.42	1.37
Council House Rents	£254,100	£49m	0.51	0.48
Sundry Debtors	£369,091	£29.3m	1.26	1.10

4.3 Whilst the sums shown above are significant it is important to put them into context. The column entitled "% of Total Income/Grant Written-off 2013/14" shows the write-offs expressed as a percentage of the "Total Budgeted Income/Grant", i.e. monies due to the Council. For comparison purposes the percentages for 2012/13 are also included in the table. It is pleasing to note that there has been a reduction in the level of Council Tax write-offs and only marginal increases in Business Rates and Council House Rents. The increase in Sundry Debtors is mainly due to the write-off of a number of unrecoverable historic debts in Social Services.

4.4 In addition to the totals in the table in paragraph 4.2, £84,629 was also written-off during 2013/14 in relation to invoices raised for overpayments of Housing Benefits (total invoices raised during the year £1,484,516).

5. EQUALITIES IMPLICATIONS

5.1 This report is for information purposes, so the Council's Equalities Impact Assessment (EqIA) process does not need to be applied.

6. FINANCIAL IMPLICATIONS

6.1 As detailed in the report.

7. PERSONNEL IMPLICATIONS

7.1 There are no direct personnel implications arising from this report.

8. CONSULTATIONS

8.1 There are no consultation responses that have not been reflected in this report.

9. RECOMMENDATIONS

9.1 Members are asked to note the contents of this report.

10. REASONS FOR THE RECOMMENDATIONS

10.1 To ensure that Members are informed of sums written-off during the 2013/14 financial year.

11. STATUTORY POWER

11.1 Local Government Act 1972 and 2000.

Author: Stephen Harris, Acting Head of Corporate Finance

Tel: 01443 863022 E-mail: harrisr@caerphilly.gov.uk

Consultees: Nicole Scammell, Acting Director of Corporate Services & S151 Officer

John Carpenter, Council Tax & NNDR Manager

Sandra Isaacs, Rents Manager

Craig Verrier, Senior Income Officer

Amanda Main, Housing & Council Tax Benefits Officer

Cllr K Reynolds, Deputy Leader/Cabinet Member for Corporate Services